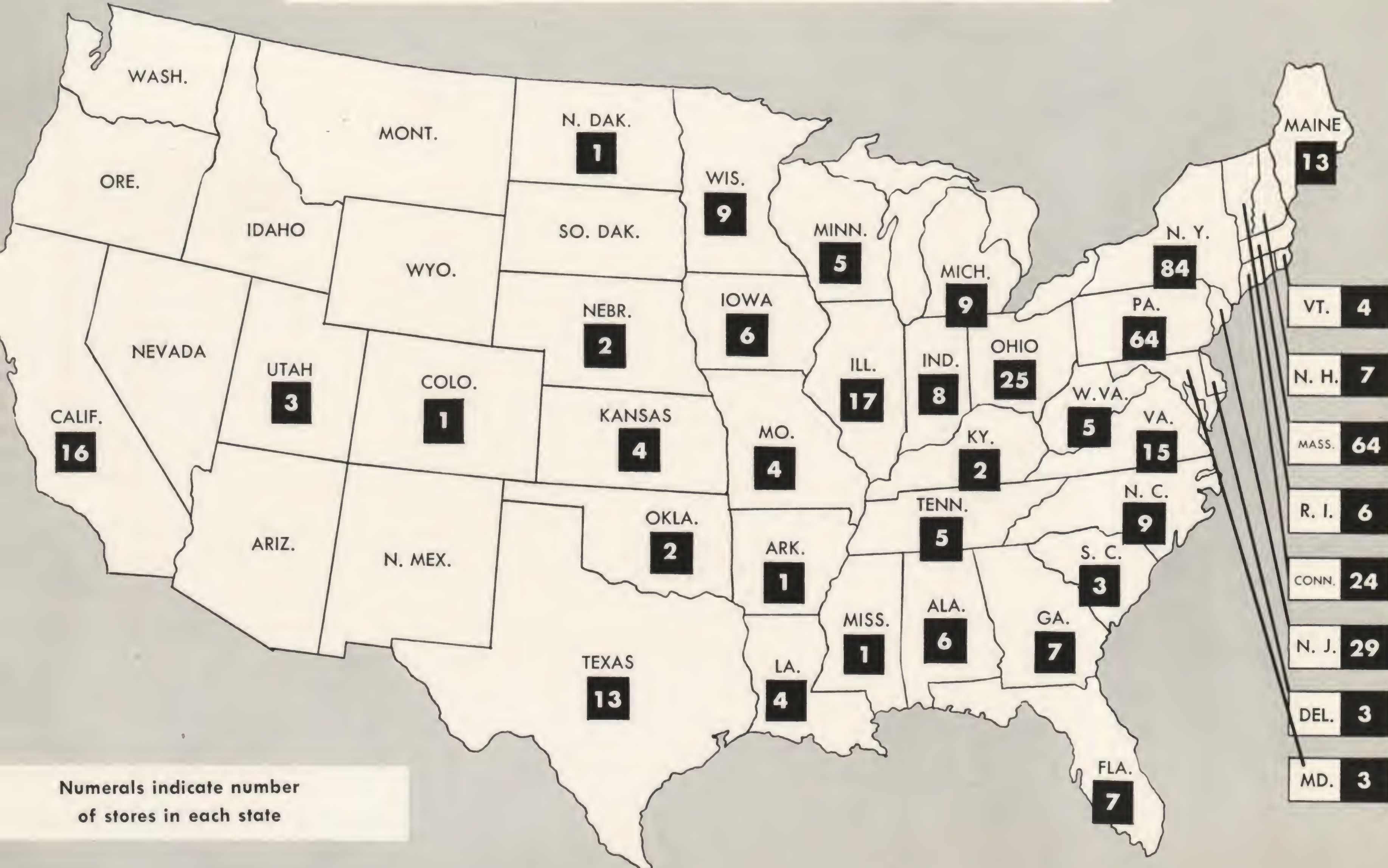
W. T. GRANT COMPANY

Annual report

1952

LOCATION OF 491 GRANT STORES IN 39 STATES



W. T. GRANT COMPANY

founded in 1906 at Lynn, Mass.

Executive and Buying Offices

1441 Broadway, New York 18, N. Y.

directors

William T. Grant
Chairman

John G. Byler

Joseph W. Chinn

Howland S. Davis

Raymond H. Fogler

Clayton E. Freeman

Perrin C. Galpin

Herbert K. Garges

John M. Hancock

William L. Kleitz

J. Luther Knies

Louis C. Lustenberger

Ward Melville

Edward Staley

Robert R. Updegraff

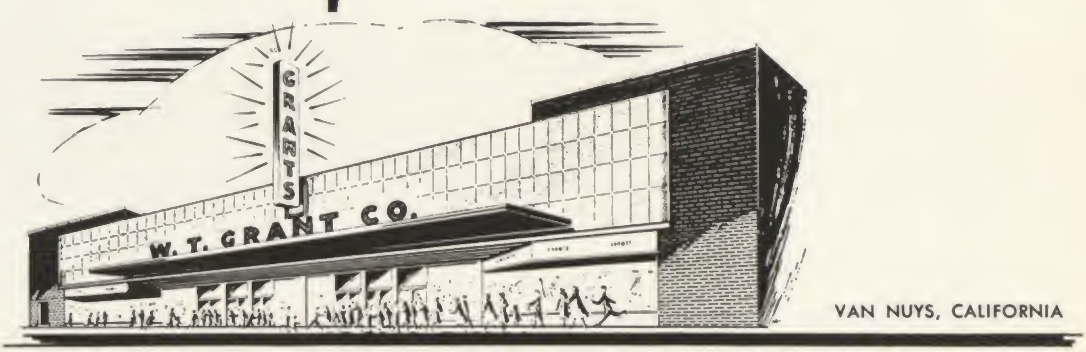
Walter P. Zeller

officers

William T. Grant	*Chairman of the Board*
Edward Staley	*President and General Manager*
Louis C. Lustenberger	*Executive Vice President*
John G. Byler	*Financial Vice President and Treasurer*
J. Luther Kniės	*Merchandise Vice President*
Gordon Anderson	*Vice President*
M. O. Boxwell	*Vice President*
E. J. Stinneford	*Vice President*
M. F. Ketz	*Comptroller*
Charles W. Rivoire	*Secretary*
George W. Middleton	*Assistant Comptroller*
Warren G. Finnan	*Assistant Treasurer*

BANKERS TRUST COMPANY, NEW YORK, N. Y. REGISTRAR

GUARANTY TRUST COMPANY OF NEW YORK TRANSFER AGENT



VAN NUYS, CALIFORNIA

the story in brief . . .

	FISCAL YEARS ENDED JANUARY 31	
	1953	**1952**
Sales	$283,240,067	$268,332,908
Earnings before taxes	$ 18,895,326	$ 19,236,547
Federal income taxes	$ 11,325,000	$ 11,720,000
Cents per sales dollar	4.0¢	4.4¢
Net earnings after taxes	$ 7,570,326	$ 7,516,547
Cents per sales dollar	2.7¢	2.8¢
Earnings per common share	$2.91	$2.90
Dividends paid per preferred share	$3.75	$3.75
Dividends paid per common share	$1.50	$1.50
Federal income taxes per common share	$4.70	$4.89
Total dividends paid for fiscal year	$ 4,164,711	$ 4,149,478
Total salaries and wages	$ 45,213,875	$ 42,118,572
Other employee benefits	$ 3,280,225	$ 2,998,788
Total compensation and employee benefits	$ 48,494,100	$ 45,117,360
Cents per sales dollar	17.1¢	16.8¢
Total federal, state, and local taxes	$ 16,616,932	$ 16,614,556
Merchandise inventories	$ 38,294,791	$ 34,807,085
Working capital	$ 43,077,128	$ 41,562,418
Book value common stock—per share	$27.63	$26.20
Number of stores at year end	491	482

W. T. GRANT COMPANY

1441 Broadway, New York 18, N. Y.

To the Stockholders:

This 46th annual report to stockholders contains, for the fiscal year ended January 31, 1953, comparative financial statements of the Company, and the accompanying report of Ernst & Ernst, independent auditors appointed by the Board of Directors.

SALES . . . Sales for the year reached a new all-time high of $283,240,067, an increase of $14,907,159, or 5.6% over 1951.

This increase came principally in the last half of the year when sales were 8.5% above the corresponding period of 1951. For the first half of the year, the sales increase was 1.6%.

EARNINGS . . . The 1952 net earnings after taxes were $7,570,326 which, after dividends on the preferred stock, equalled $2.91 per share of common stock on 2,408,198 shares outstanding at the year end.

This compares with 1951 net earnings of $7,516,547 or $2.90 per share of common stock on 2,395,963 shares outstanding last year.

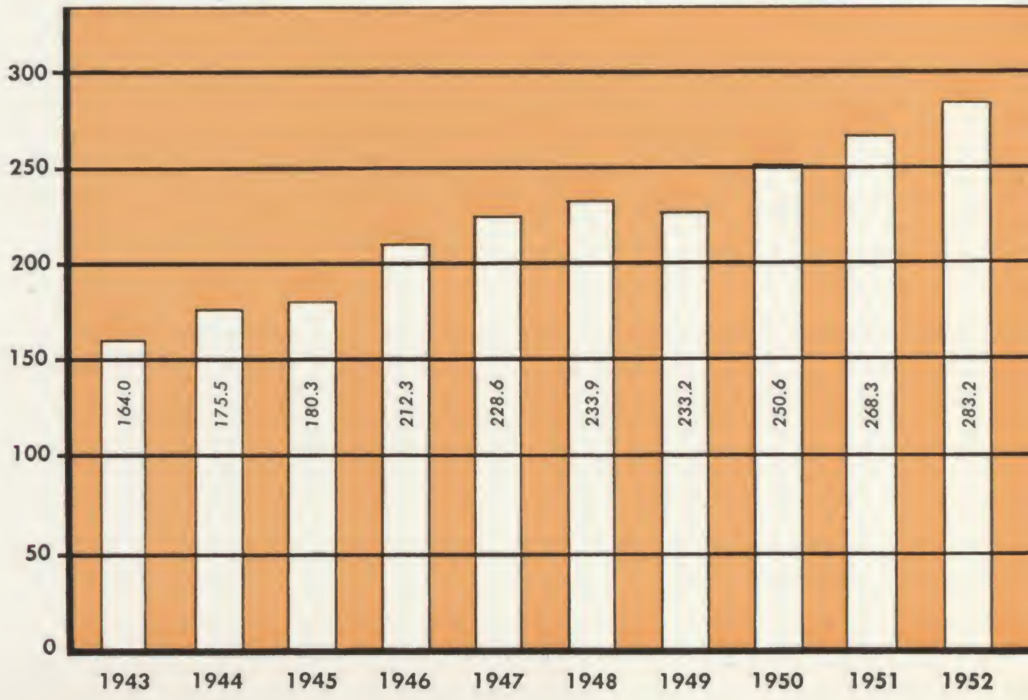
The earnings before federal income taxes were $18,895,326 for 1952, which was $341,221 under the all-time peak of $19,236,547 in 1951. This decrease was primarily due to increases in expenses, particularly employee compensation and other benefits.

For both years, earnings were computed on the LIFO method of valuing inventories.

Annual

SALES

MILLIONS OF DOLLARS



TAXES . . . The 1952 federal income and excess profits taxes were $11,325,000 which compares with $11,720,000 in 1951. These amounts include $1,235,000 for the excess profits tax for 1952 and $1,400,000 for 1951.

The total 1952 federal income and excess profits taxes were equivalent to $4.70 per share of common stock, which compares with $4.89 for the preceding year. In 1952, the taxes equalled 59.9% of the earnings before taxes, compared to 60.9% in 1951.

DIVIDENDS AND RETAINED EARNINGS . . . For the fiscal year 1952, regular quarterly dividends totalling $3.75 per share were paid on the preferred stock. On the common stock, four quarterly dividends of 37½ cents, or $1.50 per share were paid in 1952, which is the same total per share as was paid in the fiscal year 1951 when one quarterly dividend of 25 cents, three of 37½ cents, and an extra of 12½ cents per share were paid.

The total of all dividends paid in the fiscal year 1952 amounted to $4,164,711 or 55.0% of the net earnings after taxes, which compares with $4,149,478 or 55.2% for the fiscal year 1951.

After dividends, the Company retained for use in the business $3,405,615 of the 1952 net earnings compared to $3,367,069 in 1951.

FINANCIAL POSITION . . . Following is comparative summary of working capital:

	January 31, 1953	*January 31, 1952*
Current assets	$62,605,758	$57,528,882
Current liabilities	19,528,630	15,966,464
Working capital	$43,077,128	$41,562,418

Merchandise inventories at January 31, 1953 valued on the LIFO method, totalled $38,294,791, or 10% above the $34,807,085 at January 31, 1952. This increase is normal in view of the new and enlarged units and the sales plans for the first quarter of 1953.

CAPITAL PROGRAM . . . The Company continued an active program of opening stores in new communities and relocating, enlarging, and modernizing existing stores.

In 1952, expenditures for new construction and equipment were approximately $8,800,000. Of this amount, $2,450,000 was recovered from owners or will be repaid after construction is completed. The net 1952 capital program expenditures, accordingly, amounted to $6,350,000. The above amount does not include expenditures for construction paid out directly by owners on properties they developed for and leased to us.

In connection with the 1952 program, the Company continued to purchase and develop properties for its use, and to sell them at approximately their costs, retaining occupancy under long-term leases. During 1952, 14 properties were sold and 14 were purchased. During the year, one property previously purchased in downtown Pittsburgh, Pa. for future development, was sold outright as the Company decided not to develop it. As a result of these transactions, the net investment in land and buildings was reduced $3,056,769 and mortgages payable were reduced $1,226,865 during the year.

During the year, 14 stores were opened in new communities; 3 small stores were permanently closed; and 2 stores were closed temporarily while new buildings are being erected. This net difference of 9 stores increased the number of stores at the year end from 482 last year to 491 this year.

The 14 new communities where the Company opened stores in 1952 were:

Arlington, Va.	Freehold, N. J.	Rochester, N. H.
Bristol, Pa.	Muscatine, Iowa	Roselle, N. J.
Cheektowaga, N. Y.	No. Sacramento, Calif.	Rumford, Maine
Clearfield, Pa.	Provo, Utah	Van Nuys, Calif.
Ft. Kent, Maine		Youngstown, Ohio

Of these, the stores in Arlington, Va., Cheektowaga, (Buffalo), N. Y., No. Sacramento, Calif., Roselle, N. J., and Youngstown, Ohio are in park-and-shop developments.

In addition 8 stores were reopened in new buildings erected on relocated or existing sites; 4 were enlarged; 14 were modernized; 28 were equipped with improved lighting; and 12 more existing stores were air-conditioned.

As a group, the above stores are operating at an annual sales rate in excess of the preopening estimates.

The planned capital program for 1953 includes 19 stores in new communities, of which 10 are park-and-shop units; 16 existing stores to be re-opened in new buildings; 29 existing stores to be enlarged or modernized; 10 more existing stores to be air-conditioned; and 22 stores to be equipped with improved lighting.

PERSONNEL AND ORGANIZATION . . . Including part-time and extra employees, there were approximately 22,700 employees at the year end. During the year 52 men and women were awarded suitably engraved gold watches upon achieving 25 years of service with the Company.

For the fiscal year 1952, salaries and wages amounted to $45,213,875, which compares with $42,118,572 for 1951. In addition, other employee benefits for 1952 totalled $3,280,225 which compares with $2,998,788 for 1951. These benefits include $1,490,086 for 1952 and $1,368,688 for 1951, contributed by the Company to the Employees Retirement Fund, for both current and prior service. At the year end, there remained unpaid to the Fund for prior service $200,000 of the $2,100,000 then estimated to cover benefits for service prior to 1942 when the plan was adopted.

Total salaries, wages and other employee benefits totalled $48,494,100 for 1952 which is $3,376,740, or 7.5% above the $45,117,360 for 1951. The 1952 total equalled 17.1% of sales compared to 16.8% for 1951. This element of expense principally accounts for the increase in the higher operating expenses in 1952.

In 1952, six store managers and executives, averaging 28 years of service, retired under the Employees Retirement Plan. At the year end, 219 retired employees were receiving retirement benefits.

Effective for the fiscal year 1952, the Directors approved a Deferred Contingent Compensation Plan for executives and managers. Under this Plan, at the end of each fiscal year participants are allotted additional contingent compensation, not to exceed in the aggregate 1% of the Company's consolidated net earnings after taxes. Each participant is contingently credited with the number of full shares of Common Stock of the Company that could be purchased with the amount of his allotment, at the closing market price for the year, with any balance credited to the participant as a contingent cash allotment. In each later year he also is entitled to dividend credits on his stock allotment, at the dividend rate for such year. These credits, plus any cash allotment balance, are converted into additional stock allotments at the end of each fiscal year. A participant is not entitled to receive any payment under this Plan until after the termination of his regular employment with the Company, and then only provided he meets certain service qualifications both before and after such termination. The amount to the credit of a participant at the time of termination will be distributed to him thereafter in stock or cash at the Company's election, normally in ten annual instalments. The Plan is administered by a committee of the Board of Directors, who are not participants, and is subject to modification or termination by the Board at any time.

For the fiscal year 1952, amounts alloted to participants aggregated $62,833, representing 1,979 shares of common stock at the closing market price for the year, plus $712 in cash allotments. The Directors authorized the use of treasury shares previously acquired at a lower cost, and as a result, the charge to 1952 income, on the basis of the cost of such shares to the Company, was $29,988. In the future it is expected that, in addition to using the remaining 421 treasury shares, the Company from time to time will purchase shares in the open market for the purposes of the Plan.

The Plan was adopted in the belief that, among other things, it would create among senior executives and managers additional incentive to increase current Company profits, strengthen the ability of the Company to attract and retain high grade management personnel, and enable the Company to get continuing benefit of consulting and advisory services from executives and managers after retirement.

INVESTMENT IN ZELLER'S LIMITED . . . As previously announced to stockholders, the Company has entered into an agreement and acquired a financial interest in Zeller's Limited, a Canadian corporation, operating stores in Canada substantially similar to the stores operated by the Grant Company in the United States.

The Grant Company purchased from Zeller's Limited their note for $2,375,000 (Canadian) due January 1, 1963 and bearing interest at 4%.

The note is convertible at the option of the Grant Company at any time from January 1, 1956 to June 1, 1956 into 125,000 unissued shares of the common stock of Zeller's. In addition, the Grant Company purchased 62,500 common shares, which is 10% of the total of 625,000 common shares of Zeller's Limited now outstanding. In addition, the Grant Company has received options exercisable during the period of the conversion of the note to acquire an additional 187,500 shares of the outstanding common stock of Zeller's Limited at a price of $18.25 (Canadian) per share; but if the options are exercised by Grant, the grantors of the options may elect to receive in lieu of cash, one share of authorized but now unissued Grant common stock for each two shares of Zeller's Limited.

Zeller's Limited was founded in 1932 by Walter P. Zeller. It operates 51 Stores in Canada, including 16 "Federal" Stores operated by a wholly owned subsidiary, the stock of which was acquired by Zeller's in March 1952. Zeller's consolidated Sales for the fiscal year ended January 31, 1953, were $35,113,167, an increase of 28% over the preceding year. Excluding the sales of "Federal" Stores from the 1952 consolidated sales, the sales increase for the past year was 12% over 1951.

The Grant Company is making available to Zeller's its experience on matters of merchandise, real estate, store development, and general administration. Zeller's will continue to operate as a separate Company and its operations will not be consolidated with the Grant Company.

William T. Grant and Edward Staley of the Grant Company have been elected Directors of Zeller's Limited. Walter P. Zeller was elected to the Grant Company's Board of Directors on January 28, 1953.

We believe that the investment in retail operations in Canada will be profitable in view of Canada's expected growth.

GENERAL COMMENTS . . . We regard the 1952 results as reasonably good. During the year, we experienced sharp competition for the customers' dollars, slow-up that developed in deliveries in some lines in the third quarter of the year, tight labor markets in various areas, and increased costs of doing business, principally payroll.

During the last four months of the year, a better sales trend developed in our stores, and we are hopeful that it will carry over into 1953.

For the 1952 results, we, of course, are grateful to our suppliers who did a splendid job for us and also to our employees who continued to do their jobs well.

With the continued cooperation of our suppliers; the continued competitive spirit among our employees; and with national income at about current levels, we believe that 1953 prospects for sales and earnings are good.

W. T. Grant

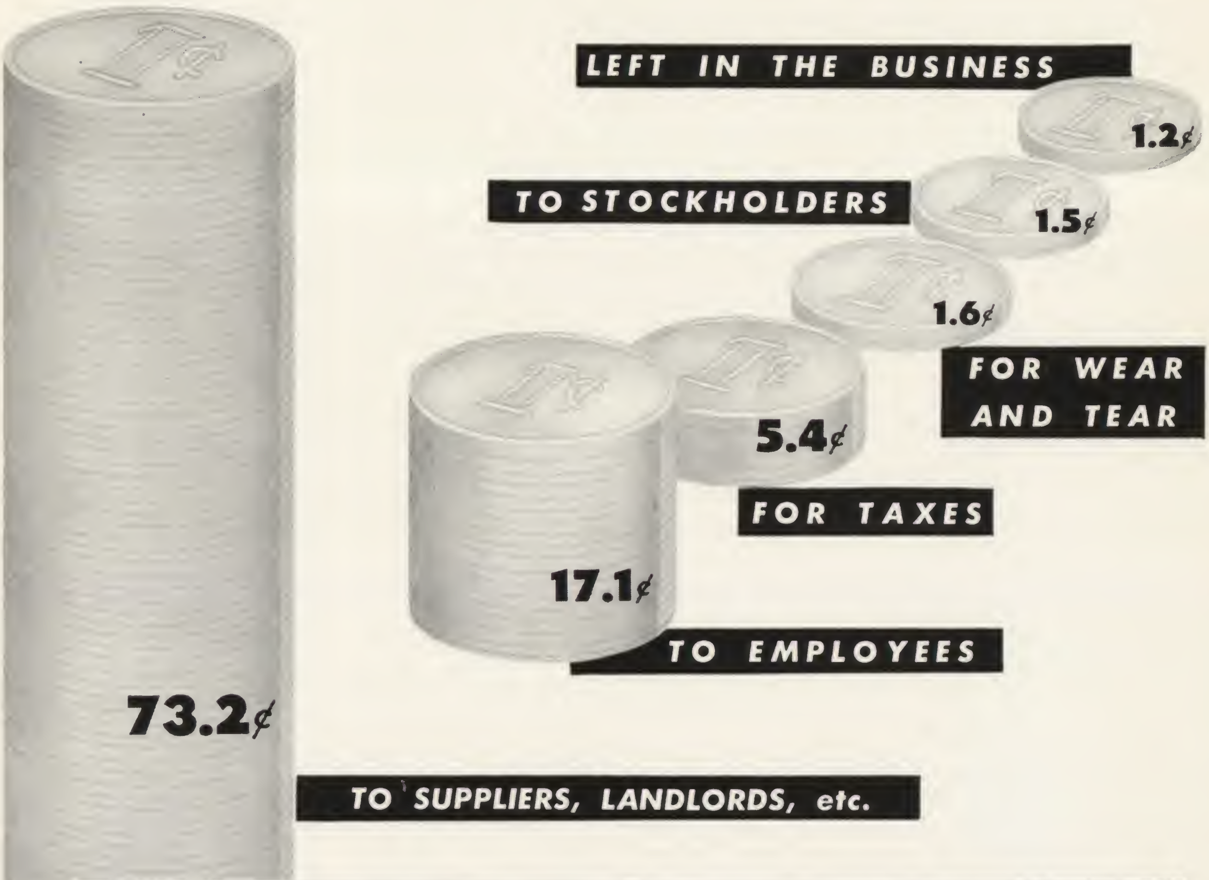
Chairman of the Board

Edward Staley

President and General Manager

April 6, 1953

how each 1952 GRANT SALES DOLLAR was divided



COMPARATIVE TABLE ON DIVISION OF EACH SALES DOLLAR

	1952	1951
For each dollar of sales	cents	cents
*Suppliers, etc.	73.2	73.1
Employee compensation and other benefits	17.1	16.8
Depreciation, maintenance, and repairs	1.6	1.6
Federal, state, and local taxes	5.4	5.7
Dividends to stockholders	1.5	1.5
Earnings retained in the business	1.2	1.3
	$ 1.00	$ 1.00

*Suppliers, etc., includes merchandise costs, supplies, rents, and outside services.

W. T. GRANT COMPANY statement of operations

and Subsidiary Consolidated

	Fiscal Years Ended January 31, 1953	1952
SALES	$283,240,067	$268,332,908
Cost of merchandise sold and operating expenses	261,025,974	245,979,059
	$ 22,214,093	$ 22,353,849
Interest earned	170,381	124,248
	$ 22,384,474	$ 22,478,097
DEDUCT:		
Depreciation and amortization	3,361,339	2,953,494
Interest paid	108,345	165,353
Other deductions (net)	19,464	122,703
Provision for federal taxes on income, including $1,235,000 and $1,400,000, respectively, for excess profits tax (Note C)	11,325,000	11,720,000
	$ 14,814,148	$ 14,961,550
NET EARNINGS FOR THE YEAR	$ 7,570,326	$ 7,516,547
DEDUCT:		
Cash dividends:		
On 3¾% Cumulative Preferred Stock:		
Four quarterly dividends of 93¾¢ each per share	562,506	562,506
On Common Stock:		
Four quarterly dividends of 37½¢ each per share	3,602,205	
One quarterly dividend of 25¢ and three of 37½¢ each per share		3,287,712
Extra dividend paid in December, 1951, of 12½¢ per share		299,260
TOTAL DIVIDENDS	$ 4,164,711	$ 4,149,478
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS	$ 3,405,615	$ 3,367,069
ADD:		
Earnings of prior years retained for use in the business	50,293,784	46,926,715
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR	$ 53,699,399	$ 50,293,784

(See notes to financial statements.)

W. T. GRANT COMPANY STATEMENT

and Subsidiary Consolidated

ASSETS

	January 31, 1953	January 31, 1952
CURRENT ASSETS		
Cash	$ 16,154,702	$ 14,342,503
United States Government securities—at redemption value	291,371	295,393
Accounts receivable:		
Customers installment accounts, less allowance of $755,302 and $639,417, respectively	6,797,825	5,754,753
Other accounts receivable, claims, etc.	1,067,069	2,329,148
	$ 7,864,894	$ 8,083,901
Merchandise inventories (including merchandise in transit), at cost as determined principally by the last-in, first-out (LIFO) method (Note A)	38,294,791	34,807,085
TOTAL CURRENT ASSETS	$ 62,605,758	$ 57,528,882
OTHER ASSETS		
Investment in Zeller's Limited, at cost (Note B)	3,559,455	—0—
Cash surrender value of life insurance	2,513,236	2,426,409
Recoverable taxes if retroactive LIFO is not sustained (Note A)	1,268,000	1,268,000
Building costs to be repaid by landlords	953,332	2,728,719
Real estate mortgages receivable	126,750	135,750
Sundry accounts and investments	203,314	180,691
TOTAL OTHER ASSETS	$ 8,624,087	$ 6,739,569
STORE PROPERTIES, FIXTURES AND IMPROVEMENTS		
Land, at cost	4,387,880	6,383,943
Buildings, at cost	2,263,911	3,420,109
Less allowance for depreciation	841,361	936,853
	$ 1,422,550	$ 2,483,256
Furniture and fixtures, at cost	25,713,470	22,274,736
Less allowance for depreciation	9,171,921	7,922,661
	$ 16,541,549	$ 14,352,075
Alterations and improvements to leased properties (remaining cost being amortized over a period not in excess of the terms of the leases involved)	12,851,230	12,699,519
TOTAL STORE PROPERTIES, FIXTURES AND IMPROVEMENTS	$ 35,203,209	$ 35,918,793
DEFERRED CHARGES		
Prepaid taxes, rents and insurance, supplies, etc.	1,760,581	1,694,347
	$108,193,635	$101,881,591

OF FINANCIAL POSITION . . . . .

LIABILITIES AND CAPITAL

	January 31, 1953	January 31, 1952
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 17,680,984	$ 15,051,647
Real estate mortgages payable within one year	235,766	276,866
Federal taxes on income—estimated, less United States Government securities amounting to $11,170,063 and $12,126,524, respectively (Note C)	1,611,880	637,951
Total Current Liabilities	$ 19,528,630	$ 15,966,464
DEFERRED LIABILITIES		
Real estate mortgages payable after one year	1,573,100	2,758,865
RESERVES		
For reduction in inventory valuation, less tax refunds, if retroactive LIFO is sustained (Note A)	3,214,118	3,214,118
For uninsured risks	1,500,000	1,366,616
For repainting stores	817,905	806,183
For deferred contingent compensation (Note D)	29,988	—0—
Total Reserves	$ 5,562,011	$ 5,386,917
CAPITAL		
Capital Stock:		
Cumulative Preferred—$100 par value (Note E):		
Authorized 250,000 shares		
Issued 150,000 shares of 3¾% series	15,000,000	15,000,000
Common—$5 par value (Notes D and F):		
Authorized 3,000,000 shares		
Issued 2,410,598 and 2,398,363 shares, respectively, (both including 2,400 shares in treasury)	12,040,990	11,979,815
Capital paid in excess of par value of shares issued	630,547	365,664
Amounts paid by officers and employees under contracts for 79,655 and 64,775 shares, respectively, of unissued Common Stock	158,958	130,082
	$ 12,830,495	$ 12,475,561
Earnings retained for use in the business—$15,295,784 earned prior to formation of the parent company on November 27, 1937, and the remainder, $38,403,615 and $34,998,000, respectively, earned subsequently (Note E)	53,699,399	50,293,784
Total Capital	$ 81,529,894	$ 77,769,345
CONTINGENT LIABILITIES		
The subsidiary, W. T. Grant Realty Corporation, is contingently liable on a mortgage in the amount of $65,000 at January 31, 1953 created by it covering a store property subsequently sold subject thereto and now under lease to W. T. Grant Company. There are no other contingent liabilities except those incident to the normal course of the companies' business.		
	$108,193,635	$101,881,591

(See notes to financial statements.)

NOTES TO FINANCIAL STATEMENTS

January 31, 1953

NOTE A—The accompanying financial statements reflect adoption as of January 31, 1950 of the last-in, first-out (LIFO) method of determining cost of inventories. The Company's claim to the right to use LIFO retroactively to 1941 is still pending and the accompanying statement of financial position includes the amount of $1,268,000 for taxes recoverable by the Company if retroactive LIFO is not sustained and the reserve of $3,214,118 for reduction in inventory valuation, less tax refunds, if retroactive LIFO is sustained. The balances in both of these accounts resulted from the accounting adjustments which reflected the adoption of LIFO as of January 31, 1950. These balances have remained unchanged, as adjustments for 1950, 1951 and 1952, which would be applicable only in the event that retroactive LIFO is sustained, have been relatively immaterial. A more detailed explanation appeared in the notes to financial statements in the report for the fiscal year ended January 31, 1951.

NOTE B—The investment in Zeller's Limited consists of 62,500 shares of common stock (cost $1,112,516), and an unsecured promissory note for $2,375,000 (Canadian) maturing January 1, 1963 (cost $2,446,939). At its election the Company may, at any time from January 1, 1956 to June 1, 1956, convert the note into 125,000 unissued shares of common stock of Zeller's Limited. Also the Company has options, exercisable during the same five month period, to purchase all or any part of 187,500 shares of that company's presently issued common stock at $18.25 (Canadian) per share. Upon the exercise of these purchase options, the grantors of the options may elect to receive, in lieu of cash, presently authorized but unissued shares of the Grant Company's Common Stock at the ratio of 1 share for each 2 shares of Zeller's Limited stock.

NOTE C—The Company's federal income and excess profits tax returns have been examined by the Treasury Department for fiscal years through January 31, 1948 except with respect to the retroactive application of inventory pricing as explained in Note A. The aggregate provision for taxes included under current liabilities is believed adequate for remaining open years.

In accordance with the practice followed since inauguration in 1946, gross profits on sales on the installment basis are reflected in the financial statements of the Company when the sales are made, whereas for federal income tax purposes, such gross profits are taken into account as collections are received. At January 31, 1953, the amount of approximately $1,374,000 for deferred federal taxes on installment sales is included in current liabilities.

NOTE D—Under the Deferred Contingent Compensation Plan, adopted during 1952, allotments contingently credited to participants are distributable in annual installments (generally ten, but not in excess of fifteen) after termination of employment, provided that certain conditions prevail at the dates such installments would be distributable. The amount shown for the reserve represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company, the cost to the Company of 1,979 shares of its Common Stock in treasury which are reserved for this purpose, plus (b) the total of all participants' contingent cash allotments, which for each participant, is less than the year end market price of one full share. The amounts so provided were not deductible for income taxes in 1952 and do not reflect any estimate of the applicable reduction in income taxes available in future years when distributions are made.

NOTE E—The $3\frac{3}{4}\%$ Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at any time at $102 per share to August 1, 1953, $101 per share to August 1, 1955, and $100 (par value) per share thereafter, plus, in each case, accrued dividends to date of redemption.

So long as any of the Cumulative Preferred Stock remains outstanding, there are certain restrictions with respect to payment of dividends (other than stock dividends) on, and purchases of, Common Stock. At January 31, 1953, approximately $40,000,000 of earnings retained for use in the business was free of such restrictions.

NOTE F—Under the Employees Stock Purchase Plan, approved by the Company's stockholders on April 18, 1950, there was authorized the issuance of not more than 118,935 shares of unissued Common Stock to be offered to employees under the Plan.

The total offerings made to January 31, 1953 covered 113,155 shares, net after cancellations due to terminations of employment, leaving 5,780 shares available for future offerings.

At January 31, 1953, of the 113,155 shares offered, the Company had entered into contracts for the sale, on a deferred payment basis, of 109,145 shares at approximate market prices at dates of contracts, aggregating $3,009,865, and the remaining 4,010 shares were subject to acceptance within two years after the offerings.

At January 31, 1953, 29,490 shares had been fully paid for and issued and the unpaid balance for the remaining 79,655 shares amounted to $2,054,017.

NOTE G—The total remaining unpaid balance of Company contributions on account of past service benefits under the Employees Retirement Plan, which was established in 1942, has been reduced to approximately $200,000.

NOTE H—At January 31, 1953, the Company was lessee of real property owned by persons other than its subsidiary, under 532 leases expiring subsequently to January 31, 1956, at aggregate annual minimum rentals of approximately $9,049,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately $2,664,000 minimum annual rentals under 132 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for eight leases which were on a percentage of sales basis without any specified minimum annual rentals.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS,
W. T. GRANT COMPANY,
NEW YORK, N. Y.

We have examined the statement of financial position of W. T. Grant Company and subsidiary consolidated as of January 31, 1953, and the statement of operations of the Company and subsidiary consolidated for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the position of W. T. Grant Company and subsidiary consolidated at January 31, 1953, and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

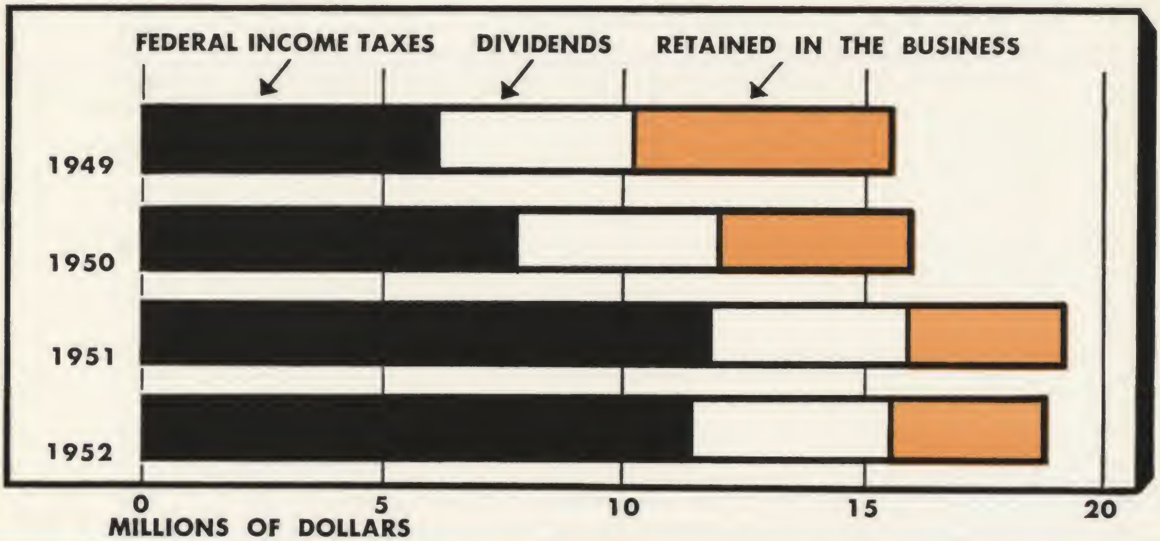
ERNST & ERNST

New York, N. Y., April 3, 1953

OPERATING STATISTICS (AMOUNTS IN 000'S)

YEAR	SALES	PRE-TAX EARNINGS	FEDERAL TAXES	NET EARNINGS AMOUNT	NET EARNINGS PER SALES $
1949	$233,168	$15,545	$6,110	$9,435	4.0 cents
1950	250,574	15,938	7,835	8,103	3.2 cents
1951	268,333	19,237	11,720	7,517	2.8 cents
1952	283,240	18,895	11,325	7,570	2.7 cents

DISPOSITION OF PRE-TAX EARNINGS

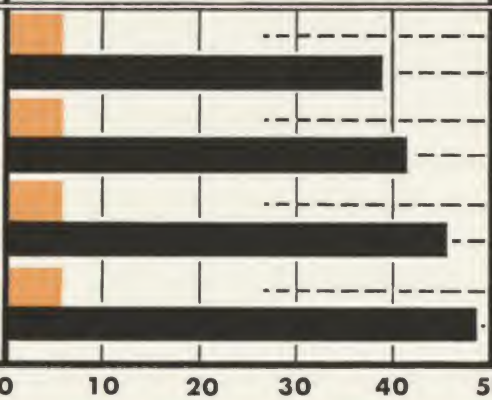


NUMBER OF STORES AND VARIOUS PER AVERAGE STORE STATISTICS

YEAR	NO. OF STORES	SALES PER STORE	MERCHANDISE INVESTMENT PER STORE	FIXED ASSETS INVESTMENT PER STORE	CAPITAL IN THE BUSINESS PER STORE
1949	480	$485,766	$70,239	$68,946	$145,526
1950	477	525,312	74,861	69,110	155,299
1951	482	556,707	72,214	74,520	161,347
1952	491	576,863	77,993	71,697	166,049

COMPARISON WAGES, SALARIES, EMPLOYEE BENEFITS WITH DIVIDENDS

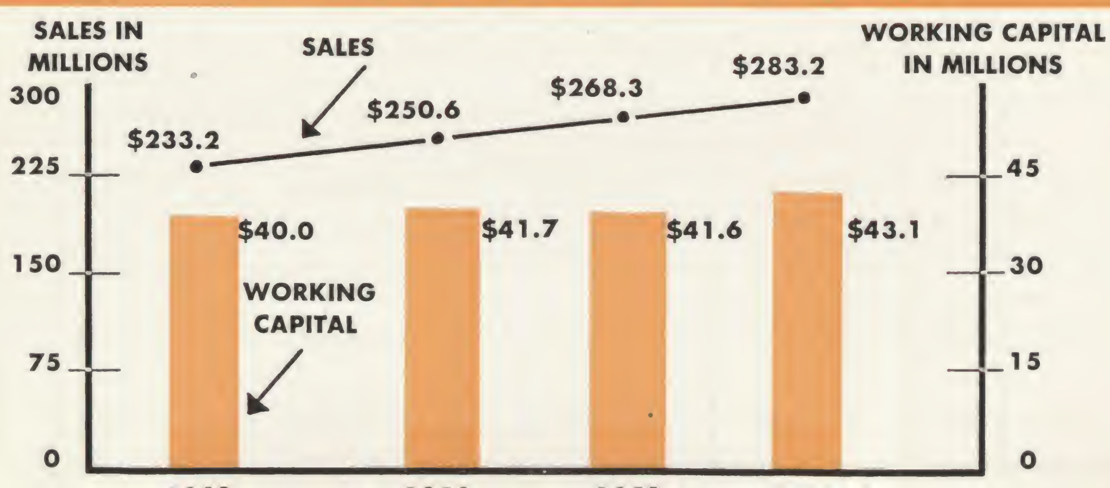
YEAR	PAID	AMOUNTS	CENTS PER SALES $
1949	DIVIDENDS	$ 4,130,569	1.8¢
	WAGES, ETC.	38,992,062	16.7¢
1950	DIVIDENDS	4,134,660	1.6¢
	WAGES, ETC.	41,081,347	16.4¢
1951	DIVIDENDS	4,149,478	1.5¢
	WAGES, ETC.	45,117,360	16.8¢
1952	DIVIDENDS	4,164,711	1.5¢
	WAGES, ETC.	48,494,100	17.1¢



DIVIDENDS AND PER SHARE STATISTICS

YEAR	FEDERAL TAXES PER COMMON SHARE	EARNINGS PER COMMON SHARE	DIVIDENDS PAID PER SHARE PREFERRED	DIVIDENDS PAID PER SHARE COMMON	BOOK VALUE PER COMMON SHARE
1949	$2.57	$3.73	$3.75	$1.50	$23.06
1950	3.29	3.16	3.75	1.50	24.78
1951	4.89	2.90	3.75	1.50	26.20
1952	4.70	2.91	3.75	1.50	27.63

WORKING CAPITAL AND SALES



GRANT STORES *serve all the family and the home*

GOOD QUALITY and WIDE ASSORTMENTS—those are important words at Grants. Add exceptional SAVINGS and our customers know why Grants is "known for values" every day in the year. Millions of Americans depend upon the Grant stores to help them get the most for their dollars.

GRANTS was a pioneer in designing stores for speedier shopping. Now more than ever, our customers can save time and steps as well as money when they shop in one of our stores.

GLANCE BELOW for a quick checklist of some of the things found on sale at Grants. Space limitations in some communities may not permit stocking of all merchandise listed on this page; but every store does offer an appealing selection of outstanding merchandise values for the entire family and the home.

FOR MEN

- Dress Shirts
- Sport Shirts
- Work Clothes
- Tee Shirts
- Polo Shirts
- Slacks
- Underwear
- Socks
- Belts
- Billfolds
- Neckties
- Jackets
- Hats
- Casual Shoes
- Slippers
- Suspenders
- Swimwear
- Raincoats

FOR WOMEN

- Hosiery
- Slips
- Gowns
- Robes
- Dresses
- Aprons
- Underwear
- Sweaters
- Skirts
- Blouses
- Brassieres
- Girdles
- Coats
- Suits
- Slippers
- Casual Shoes
- Millinery
- Jewelry
- Gloves
- Swimwear
- Rainwear

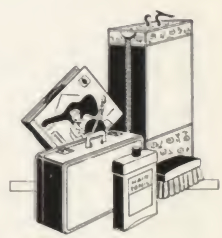
FOR BOYS & GIRLS

- Playwear
- Dresses
- Coats
- Suits
- Blouses
- Polo Shirts
- Jeans
- Slacks
- Headwear
- Underwear
- Slips
- Shoes
- Hosiery
- Toys
- Swimwear
- Rainwear
- Infants' Wear

FOR THE HOME

- Curtains
- Draperies
- Towels
- Sheets
- Bedspreads
- Yard Goods
- Housewares
- China
- Glassware
- Pictures
- Occasional Furniture
- Lamps & Shades
- Rugs
- Electrics
- Hardware
- Paints
- Garden Needs
- Plants

MISCEL-LANEOUS



- Toiletries
- Stationery
- Books
- Pens & Pencils
- Closet Accessories
- Sewing Needs
- Candy
- Cookies
- Pets
- Art Goods
- Ribbons
- Novelties
- Sporting Goods
- Records
- Luggage
- Luncheonette
- Picnic Needs
- Moth Preventives
- Patterns

FIVE NEW GRANT STORES WERE OPENED IN PARK-AND-SHOP DEVELOPMENTS IN 1952...

Of fourteen new Grant stores in 1952, five were in recently developed park-and-shop projects. Opening of Roselle, N. J. expanded our service in the Elizabeth, N. J. area. Cheektowaga, N. Y. further enhanced Grants strong position in greater Buffalo. The new Boardman Plaza unit is located seven miles from our large Youngstown, Ohio store. An opening in North Sacramento, California furthered Grants ability to serve the Sacramento market. Our new store in the Parkington development in Arlington, Va. is Grants first in the vicinity of Washington, D. C. and our fifteenth store in Virginia.

Grants
KNOWN for VALUES

W. T. GRANT CO. 1441 Broadway NEW YORK, N. Y.